

Exhibit 17

*State of California ex. rel. Ven-A-Care of the Florida Keys, Inc. v.
Abbott Laboratories, Inc., et al.*

Exhibit to the Declaration of Nicholas N. Paul in Support of
Plaintiffs' Opposition to Defendants' Joint Motion for Partial Summary Judgment

Rosenstein, Stanley

May 19, 2009

Sacramento, CA

Page 1

UNITED STATES DISTRICT COURT

DISTRICT OF MASSACHUSETTS

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IN RE PHARMACEUTICAL INDUSTRY

AVERAGE WHOLESALE PRICE

LITIGATION

-----X MDL No. 1456

THIS DOCUMENT RELATES TO: Civil Action:

State of California, ex rel. 01-12257-PBS

Ven-A-Care v. Abbott

Laboratories, Inc., et al.,

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TUESDAY, MAY 19, 2009

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VIDEOTAPED DEPOSITION OF

STANLEY ROSENSTEIN

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Ref. No. 6620

Reported By: CAROL NYGARD DROBNY, CSR No. 4018

Registered Merit Reporter

Rosenstein, Stanley

May 19, 2009

Sacramento, CA

Page 171

1 in this report; correct?

2 A. Yes.

3 I mean, it -- this may have been
4 prepared slightly before it was passed, but it was
5 on the way to being passed.

6 Q. Okay. If you could turn to page 10 of
7 the document.

8 Actually, my apologies.

9 Before we go to page 10, just to stay on
10 the first page for a moment, AB 442 was designed
11 to implement portions of the 2002/2003 State
12 budget; correct?

13 A. That is correct.

14 Q. If you could go to page 10.

15 A. Yes.

16 Q. Bottom of page 10 there's -- appears to
17 be a summary of Section 73 of the bill.

18 This summary says "This section would
19 change the estimated acquisition cost of drugs
20 from AWP-5 percent to AWP-10 percent and would
21 eliminate the use of direct price in the
22 calculation of EAC, or Estimated Acquisition

Rosenstein, Stanley

May 19, 2009

Sacramento, CA

Page 178

1 You know, there was a -- it wasn't
2 necessarily the Department's compromise.

3 It was done as a -- part of the
4 legislative process, and -- this was explaining to
5 the Governor's Office and the Governor why they
6 should accept the compromise.

7 Q. Would you turn back to the third
8 paragraph there on page 93.

9 The final sentence says, "In recognition
10 of CPhA's contentions, the DHS modified the
11 original May Revision proposal to AWP-10 percent
12 for all drugs;" correct?

13 A. That's right.

14 Q. Doesn't that suggest that the Department
15 itself did compromise in its original proposal?

16 MR. PAUL: Objection to form.

17 THE WITNESS: Yeah. As I said, it was a
18 compromise.

19 You know, we negotiated this between the
20 legislative staff and the stakeholders.

21 BY MR. GANDESHA:

22 Q. And in this document the Department is

Rosenstein, Stanley

May 19, 2009

Sacramento, CA

Page 179

1 recommending that the Governor not veto Section
2 73; correct?

3 A. Well, recommending he not veto the
4 entire bill.

5 With the trailer bill he does not have
6 line item veto, so he either signs the entire bill
7 or vetoes the entire bill.

8 Q. And that would include Section 73?

9 A. That's right.

10 Q. As a result Section 73 became law in
11 California; is that right?

12 A. That's correct.

13 Q. And among other things the reimbursement
14 rate was changed from AWP-5 percent to AWP-10
15 percent; correct?

16 A. That's correct.

17 And I believe we also eliminated the --
18 direct pricing here, but I'm not positive.

19 Q. I think, if you turn back to page 92, --

20 A. I can't remember if this is where we
21 eliminated drug pricing or not.

22 Yeah, it did eliminate drug pricing.